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1 BEFORE THE ARIZONA CORPORATIO.

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3 IN THE MATTER OF THE )  
 4 APPLICATION OF ARIZONA ) DOCKET NO.  
 5 PUBLIC SERVICE COMPANY FOR A ) E-01345A-08-0172  
 6 HEARING TO DETERMINE THE )  
 7 FAIR VALUE OF THE UTILITY ) **PERMANENT**  
 8 PROPERTY OF THE COMPANY FOR )  
 9 RATEMAKING PURPOSES, TO FIX A )  
 10 JUST AND REASONABLE RATE OF )  
 11 RETURN THEREON, AND TO APPROVE )  
 12 RATE SCHEDULES DESIGNED TO )  
 13 DEVELOP SUCH RETURN. ) **SPECIAL OPEN MEETING/  
 14 PUBLIC COMMENT**

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11 At: Yuma, Arizona  
 12 Date: September 29, 2009  
 13 Filed: October 2, 2009

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16 **REPORTER'S TRANSCRIPT OF PROCEEDINGS**

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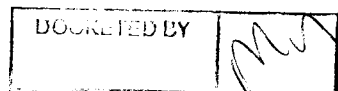
19 Arizona Corporation Commission

20 DOCKETED

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24 Prepared for:

25 **ACC**

ARIZONA REPORTING SERVICE, INC.

Court Reporting

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1		AGENDA	
2			
3			PAGE
4	1.	Welcome	4
5	2.	Introduction	4
6	3.	Public Comment	10
7	4.	Closing	44
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1 BE IT REMEMBERED that a Special Open Meeting/  
2 Public Comment was held at the Yuma City Council Chambers,  
3 One City Plaza, Yuma, Arizona, commencing at 6:00 p.m. on  
4 the 29th day of September, 2009.

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6 BEFORE: GARY PIERCE, Commissioner  
7 PAUL NEWMAN, Commissioner  
8 SANDRA D. KENNEDY, Commissioner

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Certificate No. 50489

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1           COM. PIERCE: I want to welcome everyone. This  
2 is the time established for a public comment session of  
3 the Arizona Corporation Commission on the matter of the  
4 application of the Arizona Public Service Company for  
5 determining fair value of the utility property for the  
6 company for rulemaking purposes, to fix a just and  
7 reasonable rate of return thereon, and to approve a rate  
8 schedule designed to develop such return.

9           We want to excuse Chairman Mayes tonight. She's  
10 unavailable, as is Commissioner Stump. I want to welcome  
11 Commissioner Newman, Commissioner Kennedy. And I'm  
12 Commissioner Gary Pierce, and I'll be chairing tonight.

13           And this really is a session that is for you to  
14 be able to express your concerns and any comments that you  
15 may have on the settlement agreement that Arizona Public  
16 Service has entered into with a bunch of parties,  
17 including -- and I would like to go down this list a  
18 little bit so you'll know the number of intervenors.

19           There is the Residential Utility Consumer Office,  
20 which actually is the champion of residential ratepayers  
21 in this state. They are commissioned by the state and  
22 they're a state agency to watch out after rates for  
23 residential ratepayers. Also, the Union that represents  
24 the workers of Arizona Public Service has entered into  
25 this. The major users, business users like mines and

1 other major energy users in the state are a part of that.  
2 Our Utility Division at the Arizona Corporation Commission  
3 is an intervenor.

4 All in all, there's a good dozen intervenors.  
5 And what they did, along with Arizona Public Service, is  
6 they met and, instead of having a full-blown rate case,  
7 they actually have a settlement agreement, and that's what  
8 in a month or so we're going to actually meet and decide  
9 on is that settlement agreement. And if that settlement  
10 agreement passes, then it will become -- the new rates  
11 will flow through that settlement agreement. If it does  
12 not pass, then what will happen is that then the  
13 settlement agreement has been rejected, and they will then  
14 enter into a full-blown rate case at that point. So that  
15 is where we are.

16 We will not be -- if you step to the mic and ask  
17 questions, we're not here to really answer questions about  
18 the rate case, per se. We want you to comment about the  
19 rate case. And if we have questions about -- to make sure  
20 we understand where you're coming from on this, we will  
21 ask those questions.

22 But when you ask a question, we're all of a  
23 sudden -- we're not allowed to make a judgment on this  
24 until we get into Open Meeting at the point where all of  
25 the hearings are over and we will vote on it. So we're

1 not allowed, so to speak, to tip our hand on where we  
2 might be. And in theory, we're not supposed to be decided  
3 at this point. We're supposed to wait for all of the  
4 public hearing, everything to play out in the process of  
5 hearings that go on, and then make that decision. So if  
6 you see us listening more than talking, that's because  
7 this is for public comment.

8           We have a court reporter down here who is -- who  
9 will -- when you step to the mic, I will have said your  
10 name, but go ahead and state your name to make sure she  
11 has it, and speak slowly. Well, just don't speak very  
12 fast, and she will be able to keep up with you. And we'll  
13 try not to -- we'll make sure we don't speak over each  
14 other so she can get it. And also, we would ask the  
15 audience to reserve comments until you get to the mic,  
16 because she can't record those. She's going to record  
17 whoever is speaking and anything that comes out of us.

18           So that's kind of the ground rules, but I would  
19 like to thank you for coming. Many of you know that I --  
20 you know, I consider Yuma my second hometown having lived  
21 here 16 years and have a lot of friends here, many in the  
22 room. I was here earlier in the day and attended a  
23 funeral of a family friend who was killed on a bicycle  
24 accident recently, so I've been here all day.

25           But I would like to allow my two friends here to

1 the left and to the right to address you briefly, and then  
2 we'll get going with your comments.

3 Commissioner Kennedy.

4 COM. KENNEDY: Thank you, Commissioner Pierce.  
5 First, let me thank the City of Yuma and the Yuma City  
6 Council for allowing us to come tonight and utilize their  
7 facility to hear what the people of Yuma have to say.

8 As Commissioner Pierce stated earlier, we are  
9 here to hear you. We want to hear what you have to say.  
10 We want to hear your concerns. I am interested in what  
11 you have to say. If you don't hear me comment, it's not  
12 that I don't support you. I am listening very  
13 attentively. And for those who are listening over the --  
14 I believe they've got a local cable channel.

15 COM. PIERCE: Local government channel.

16 COM. KENNEDY: Hopefully, since you're not here  
17 tonight, hopefully you will send in your comments to the  
18 Arizona Corporation Commission. And I don't know if  
19 there's going to be a line on the local channel stating  
20 where they can send their information to, but if you will  
21 allow me, Mr. Pierce, they can send it to the Arizona  
22 Corporation Commission to any web page, that is, any  
23 Commissioner, to arizonacorporationcommission@azcc.gov.  
24 Thank you.

25 COM. PIERCE: Commissioner Newman.



1 COM. NEWMAN: Thank you, Commissioner Pierce.

2 And my name is Paul Newman. I'm the third  
3 Commissioner here tonight. There are five usually.  
4 Mr. Stump and our Chairwoman, Kris Mayes, couldn't make it  
5 tonight. I believe Ms. Mayes is in a meeting in  
6 Washington, D.C. and that's the reason why she couldn't  
7 make it. And I'm not sure why Mr. Stump couldn't, but  
8 he's usually here at all of these meetings.

9 Both Sandra and I, Commissioner Kennedy and I  
10 were elected around nine months ago. We have a full range  
11 of activities. This APS case is one of our biggest cases.  
12 And it's true that it has gone through a settlement  
13 negotiation, which is different than it normally goes  
14 through, which is sort of a very strict, adjudicative  
15 process with people taking testimony. And we have a judge  
16 on the case, and they're trying to settle this case  
17 before.

18 I won't make any comments on the settlement  
19 itself. That's not appropriate. But we are here to take  
20 public comment. We've taken it not only here in Yuma, we  
21 took it in --

22 COM. PIERCE: We took it in Flag.

23 COM. NEWMAN: -- Prescott, Flagstaff, and --

24 COM. PIERCE: And at the Commission.

25 COM. NEWMAN: -- and at the Commission in Phoenix

1 as well. The Phoenix public statements were very -- there  
2 were a lot of people there, a lot of duplicative  
3 statements.

4 And it is interesting that in the beginning the  
5 statements made by all of the people who were parties to  
6 the settlement, which includes not only the company but  
7 members of the business community, members of the low  
8 income community, members of the education districts, many  
9 different members who signed on to this, they all spoke  
10 quite glowingly, really, of the settlement.

11 The bottom line, though, is that we are the final  
12 arbiter on whether the settlement goes through, and there  
13 is still something to be said about whether or not and how  
14 big the rate increase will be. And I know I've asked a  
15 lot of questions through written questions about the  
16 actual cost and the rate of return. And so we're far away  
17 from deciding this case, even though it's come a long way.  
18 I hear that in -- it will be approximately the first week  
19 of December for the actual hearing to come up in front of  
20 the Commission in December. So I also wanted to tell the  
21 folks that.

22 But we want to listen to each and every one of  
23 you. And like I said, like Commissioner Kennedy, when I  
24 came in here, I was overwhelmed by the beauty of the City  
25 Hall assembly. And I thank the city fathers and mothers

1 for having this hearing here tonight. It is quite a  
2 beautiful building and, obviously, can hold a whole lot of  
3 people, a whole lot more than are here tonight.

4 But it is really good for the Commission to get  
5 out, and we've gotten out throughout APS's service  
6 territory to talk about this rate settlement. And  
7 basically, as I said before, you hired us to look out not  
8 only for rate of return, but all of the people in Arizona,  
9 and the ratepayers also have to be looked out for, too.  
10 So if there are any ratepayers out here tonight, I would  
11 like to hear from them on what they think about the  
12 settlement.

13 And I'm just happy to be here and look forward to  
14 your comments. Thank you.

15 COM. PIERCE: Okay. First of all, what I'm going  
16 to do -- and it's going to show that there's three  
17 minutes. Because we don't have a lot of us, I'm not going  
18 to enforce that, unless we have a late rush through the  
19 door. What we're going to do, though, is try to, you  
20 know, three minutes. But, you know, most things can get  
21 said on these issues in five minutes, so if you would try  
22 to hold to that.

23 The first speaker would be Darrell Bennett. I  
24 did that, Darrell, because you were sitting in the back  
25 row. I figured I would make you first.

1 MR. BENNETT: Thank you. Hello, I'm Darrell  
2 Bennett. I'm very concerned about the rate hikes of the  
3 utilities, APS. We're looking at other rate hikes here in  
4 Yuma coming up the first of the year. A lot of the  
5 retired folks here are on fixed incomes. With everything  
6 going up, the stress of the economy and stuff, I think  
7 this is just a real bad time for any rate hikes.  
8 Everything should just sit still for a while here until  
9 everything levels out. Thank you.

10 COM. PIERCE: We're going to hold you here,  
11 because -- Commissioner Newman.

12 COM. NEWMAN: The reason why we're holding you  
13 here is just because I wanted -- you get to talk as long  
14 as you like, and your message is very to the -- you know,  
15 as explicit as you can say it, but I just wanted to ask a  
16 couple of questions about it.

17 I also have some concern about these very hard  
18 times, economic times, and to pass on a big rate increase.  
19 Although, under the law, also we have to look at all of  
20 the different things that APS has done over the years in  
21 terms of increasing its facilities and its costs. And so  
22 I just wanted to know a little bit more about what the  
23 economic situation is here, in general, if you can amplify  
24 on that.

25 MR. BENNETT: Well, our unemployment rate is

1 pretty high. And those people on unemployment, you know,  
2 even though it's extended out, they're not making as much  
3 as they used to. We've got a high foreclosure housing  
4 market. We have a lot of homes on the market that are  
5 empty. Utilities this past summer, I've heard of some  
6 people having high utility bills, as much as \$1,000 for  
7 their households.

8           You know, and I understand APS, everybody has a  
9 right to either break even or make money, but this is the  
10 times that we need to all concentrate on just breaking  
11 even and getting by until the economy improves. And it  
12 will improve, it's just going to take some time, I'm sure.

13           COM. NEWMAN: I'm not going to speak to this in  
14 detail, but part of the settlement was to sort of hold  
15 harmless some of the people in the community that make  
16 less money than others, and that is part of the settlement  
17 agreement. We haven't opined about that at all, but what  
18 would you say about that part of the settlement agreement  
19 anyway?

20           MR. BENNETT: Well, if you raise the utilities on  
21 some of these larger companies, Yuma is a big vegetable  
22 industry here, and we have a lot of the cooling  
23 facilities. And as their rising costs goes up, that means  
24 that's got to be returned someplace, and it would be  
25 attached to food products, fresh vegetables and stuff, and

1 it would come back down to the consumer, I'm sure.

2 COM. NEWMAN: Okay. And what I meant to say was  
3 that some of the people who are out of a job, not all, but  
4 most of the low income people would be protected under  
5 this settlement, but that -- and that is one of the  
6 selling points, in a sense, that at least the woman who  
7 represents Community Action and some of the PERBs in  
8 Arizona, they signed off on it, but that's one of the  
9 questions that I have to ask.

10 And I know the heating and cooling bills -- in  
11 Yuma you get the cooling bills. And I can't even imagine  
12 \$1,000 a month. That must be very difficult on families,  
13 especially families who may not have a job. When I walked  
14 in, I was shown a copy of today's paper. It showed Yuma  
15 as one of the highest unemployment counties and one of the  
16 hardest hit job-wise. Would you agree that's the  
17 situation?

18 MR. BENNETT: Yes, it is true. And the people  
19 that are retired out that had their money in 401(k)'s,  
20 they've seen that shrink down to the point that they're  
21 really having to concentrate on how to save money, and a  
22 little bit of money each month is important to them.

23 You know, and I understand that, you know, that  
24 it would be less on lower income families, but it's still  
25 going to hit the grocery stores. It's going to hit

1 everything because of those cooling bills and everything,  
2 and that's going to have to reflect. They're going to  
3 want, you know, to try to recap some of theirs. So it  
4 still comes back down to the basic consumer.

5 COM. NEWMAN: Well, I really appreciate you  
6 coming out tonight. What made you, you know, get out of  
7 your house and come on down to talk to us?

8 MR. BENNETT: Well, this is a very important  
9 issue and times are hard out there. As I travel around  
10 Yuma daily and through the counties, I see the hardships  
11 that people are having.

12 COM. NEWMAN: Thank you so much.

13 COM. PIERCE: Just a second, Darrell. One thing  
14 that Commissioner Newman was really getting at is that  
15 during the growth times, we had APS making sure they  
16 stayed ahead of that growth curve, because the last thing  
17 we needed was to not have the lights come on because we  
18 don't have enough electricity being generated. So when it  
19 slowed down, we already had them in process. So their  
20 position is, well, we got this stuff done, we realize  
21 times are tough, but we're now entitled because we built  
22 this. And that's where they're coming from.

23 For the other Commissioners, we have an attorney  
24 on our Staff named Janet Wagner, and she graduated about  
25 the same time from Kofa as did Darrell. And I just have

1 to find out what her maiden name is so that I can connect  
2 that with Darrell and find out if he knew her. But  
3 Darrell is homegrown here, so thank you for coming. And I  
4 think that you are very in tune to this issue.

5 And I think you're right in that as Commissioners  
6 we have to look at even though a utility may have done  
7 certain things and they're entitled, but we're required to  
8 balance that and try to keep it as evenhanded to all  
9 parties as we can. And I think that's something that we  
10 really are doing. And that's why this group came together  
11 and had put together the settlement agreement. And we're  
12 not bound by it, but we're sure looking at it very  
13 closely. And we, in fact, may have amendments to that,  
14 which may blow up the whole deal at the end of the day and  
15 they may go to a full-blown rate case because of that.

16 But your comments will be included, and I think  
17 that Yuma is unique. And actually, I'm going to have  
18 Brian come up, Brian Babiars next, and he can answer some  
19 of the questions that Commissioner Newman just had.

20 So any other questions for Darrell?

21 Thank you so much.

22 MR. BENNETT: Thank you.

23 COM. PIERCE: Okay. Brian Babiars is going to  
24 come up. It doesn't say, but he's the Director of the  
25 Western Arizona Council of Governments.



1 MR. BABIARS: But he is.

2 COM. PIERCE: But he is, and he can answer your  
3 questions on the low income, because that's what he does.

4 MR. BABIARS: And Mr. Newman, I wanted to say,  
5 that is the article that you read, and it just shows that  
6 Yuma has the highest poverty rate in the state, and that's  
7 21-point some percent this year versus about 14 percent  
8 last year. So you can see how geometrically that's  
9 growing, which is a sad commentary on our times.

10 And I do -- I am on the board of Arizona  
11 Community Action Agency, which Cynthia Zwick, the lady  
12 that you were referring to, I think, has supported this  
13 agreement, proposed agreement.

14 I would like to also back the effort by the  
15 Commission to hold harmless the E-3 and E-4 customers,  
16 because I think they're the ones that are most affected or  
17 have the least opportunities to make trade-offs when  
18 utility costs go up.

19 In addition, I think one of the other kind of  
20 notch groups that we've talked about is those people  
21 between 150 and 200 percent of the poverty level, which I  
22 think is another group the agreement tried to address.  
23 And I really -- I think that's important, because we  
24 forget that's just an arbitrary number, 150 percent,  
25 200 percent. When you put dollars to it, you realize that

1 the cost of living increases has diminished their ability  
2 to purchase, so it really really needs to be increased.

3 And the other thing I think you have tried to  
4 address is some of the issues on security deposits and who  
5 is exempt from having to pay those as a result of their  
6 history or their current situation.

7 But, you know, I fault myself for not welcoming  
8 you to Yuma, and thank you for coming down. I know it's  
9 longer coming down, for some reason, than for us going to  
10 Phoenix all of the time. We haven't figured that one out  
11 yet, but it works that way.

12 And Mr. Pierce, of course, I have worked with for  
13 years and years and respect his opinions.

14 I wanted to give you some numbers, some fact  
15 sheets, and these are real numbers. We're the community  
16 action agency for Mohave, La Paz, and Yuma County, but  
17 these numbers really represent principally Yuma County,  
18 because Yuma County, because of the heat and everything,  
19 is more impacted probably by the rates than Mohave County  
20 or La Paz County are.

21 We took a look at between April of '08 and April  
22 of '09, April -- I'm sorry -- April to August '08 and  
23 April to August '09, and these are some really staggering  
24 numbers. Last year in '08, we helped 194 unduplicated  
25 clients. That's families, okay. This year we've helped

1 2,738. That's over a 300 percent increase. In that same  
2 period of time, we've assisted -- we assisted in '08, 119  
3 families with deposits. This year it's 287.

4 And more staggering than those numbers, perhaps,  
5 is the amount of dollars that we have spent in terms of  
6 helping those clients. In '08, we spent \$319,053. This  
7 year, \$961,522. And a lot of those dollars, quite  
8 frankly, come from federal programs, which, in essence,  
9 subsidize APS's bad debts. And so, you know, we're  
10 partners with APS in this thing to the degree of trying to  
11 help low income clients, because I think it's important to  
12 realize that whatever happens in terms of not assisting  
13 low income clients also has a bottom line effect on APS.

14 So I would be glad to answer any questions.

15 COM. PIERCE: If you don't mind, Brian, for the  
16 record, and I appreciate this conversation we had before,  
17 but I think the newspaper article says that those in Yuma  
18 County below poverty line is like 20 --

19 MR. BABIARS: 21.2 percent. And that jumped from  
20 14.5 percent a year before. So that's the staggering part  
21 is the increases, the tremendous increases.

22 COM. PIERCE: And the question I had asked you  
23 when you came through the door, because I read that  
24 article this morning, is I would like to know what the  
25 percentage is at the 200 percent level. And if you

1 could -- because I wonder if maybe in Yuma County that's  
2 more like 30 percent of the population, which would be --

3 MR. BABIARS: Right. And we certainly can get  
4 you those numbers and we'll get you those numbers.

5 I think that the other part of the numbers that  
6 we talked about, I think, earlier, and you probably -- or  
7 obviously knew beforehand, but that is the people that are  
8 figuring the statistics about being unemployed by the  
9 people getting unemployment benefits. People that have  
10 gotten off of the benefits because they've used them up  
11 are not even considered in the number. They're kind of a  
12 throwaway number that we don't know how high that number  
13 is because they really don't have to register to show us  
14 what those numbers are. So we're concerned that the  
15 numbers are considerably higher than the 21 percent  
16 indicated in the article.

17 COM. PIERCE: Certainly.

18 Commissioner Newman.

19 COM. NEWMAN: Thank you for your testimony, and  
20 it's good to air this. We don't get a chance to air this  
21 issue that much, only when we run the amendments on cases  
22 to try to protect the low income classes. And it's  
23 interesting because we've run these amendments in  
24 litigated cases a couple of times and been successful in  
25 getting a majority of the members to buy on to it.

1 But the other -- I'm just -- for the purposes of  
2 being sort of like Aristotle or Plato on this, the other  
3 side of that argument -- and I don't necessarily agree  
4 with it -- is that when you constrict that money, when you  
5 don't -- when you have these 150 percent to 200 percent  
6 cut-outs, then it puts more of the burden, of course, on  
7 other classes. And so there's always this philosophical  
8 debate about that, and what would you say about that  
9 debate?

10 MR. BABIARS: Well, you know, that may be true,  
11 but you're also -- many of those you're going to move down  
12 into the bracket where they're not paying anymore or  
13 whatever.

14 You know, many of the dollars that we use is to  
15 get people over the hump, either in short-term  
16 unemployment issues or something like that. We have found  
17 the clients -- and I don't have the numbers -- but of that  
18 300 percent increase, I'll bet almost without a doubt that  
19 most of those are people who were newly unemployed.  
20 They're not used to being on assistance. They're not used  
21 to coming to anybody for help.

22 And we have the same issue with the elderly in  
23 our area. We deal with all of the elderly programs, and  
24 one of the problems that we have is, because of pride or  
25 whatever, elderly who are actually eligible for food

1 stamps because their income is so low certainly are not  
2 going to go looking for food stamps because it's below  
3 their dignity and they didn't grow up that way. And so  
4 there's a lot of things that -- a lot of programs that are  
5 available to the elderly, for instance, that they're not  
6 even accessing.

7 COM. NEWMAN: Another thing that came up in the  
8 hearings, this hearing and other hearings that we've had  
9 on increases in the last nine months, is that a lot of  
10 elderly people aren't even -- they don't realize that they  
11 can get benefits basically limiting the amount of  
12 utilities they have to pay. They're not aware of it, even  
13 though the regional groups are working around the state to  
14 let them know. In fact, if more heard about it, it would  
15 be, you know, even less money, you know, that the company  
16 would be getting.

17 But I just wanted to take this opportunity for  
18 you to, since this is being televised, to talk about that  
19 point, that a lot of people don't realize that they can  
20 get help on their utility bills.

21 MR. BABIARS: Yeah. And, you know, if they call  
22 our office now, we have an integrated system where if  
23 they're elderly and need help, or if they're a family in  
24 need of help, or whatever it is, or if their kids need  
25 help, we have a large Head Start program. We're willing

1 to kind of key them into the areas that they need to be.

2 But the elderly area really bothers us, because  
3 we don't want people trading off between medicine and food  
4 and utilities. And that's scary when you have worked all  
5 of your life and you think you're in a situation where  
6 you're kind of insulated, and all of a sudden the bottom  
7 drops out. Like the previous speaker talked about, the  
8 retirement plans have just gone away for a lot of people.  
9 And again, these are people who find themselves in a  
10 situation they never believed they would be in.

11 COM. NEWMAN: I thank you for coming. And a lot  
12 of people don't realize that there's regional groups like  
13 what you direct in every part of the state and they're in  
14 charge of looking out for folks, and there are federal  
15 programs available. And it's very timely to talk about,  
16 because this rate increase is a lot to consider in this  
17 very -- in hard economic times.

18 MR. BABIARS: It's just one piece of a puzzle  
19 that people are trying to figure out how to get their arms  
20 around it, and it's very difficult. But I appreciate your  
21 sympathy for that group in terms of looking at these -- at  
22 the rates, and I know it's a hard decision to make, how  
23 you balance that all out, but I really appreciate your  
24 effort to do that.

25 COM. NEWMAN: Thank you.

1 COM. PIERCE: Thank you.

2 MR. BABIARS: Thank you very much.

3 COM. PIERCE: Okay. Elgin Everly.

4 MR. EVERLY: Good evening. My name is Elgin  
5 Everly. And while it's nice that you're considering the  
6 folks that are in the low income or the poverty level,  
7 I've got a feeling that the Corporation Commission's job  
8 is to protect all of us.

9 And before I came here, I talked to a couple of  
10 other people that were going to come, and their opinion is  
11 that the deal has already been made. I don't think that's  
12 right. I don't know how the system really works, but I'm  
13 going to say what I've got to say, and I would appreciate  
14 you listening. And if you want to comment, fine.

15 I'm amazed that anyone would think APS should be  
16 allowed a rate increase. Oh, I'm sure they have paid  
17 people that dream up great reasons why they should raise  
18 rates and giving you justifications for the rates. In  
19 reality, they should be getting rid of some of the  
20 temporary rate increases and rolling back the existing  
21 rates.

22 I called APS information and asked if their  
23 employees were getting pay raises. I was told by the lady  
24 that information like that was confidential.

25 It's no secret that our country is in a deep



1 recession, only paralleled by the Great Depression. It's  
2 no secret that mom and pop are not getting a raise in  
3 Social Security, and the raises they have gotten over the  
4 years has been eaten up by prior APS raises. Fuel prices  
5 are down. They can't use that for an excuse anymore.  
6 Unemployment is up. I mean, way up. If APS needs workers  
7 to work for less money, I'm sure the unemployment office  
8 can provide plenty of them.

9           Rate increase? No way. No way. I suggest  
10 rolling back the current rates and telling APS to tighten  
11 their belts like the rest of us have to. This isn't  
12 rocket science, gentlemen and ladies. It is a simple  
13 matter of this corporation that -- some people like to  
14 joke that Arizona is Arizona Public Service owned and  
15 operated, and, you know, it's starting to seem that way.

16           The city is getting ready to hit us with a great  
17 water increase and sewer increase, and the poverty level  
18 is going to raise as soon as they do that. And when APS  
19 raises, it's going to raise the poverty level again. Is  
20 there no end to it? Just one time come out and say, no  
21 way, you're not going to do it; you're going to leave the  
22 rates alone or at least roll them back to the temporary  
23 part. If you have got any questions, I'm --

24           COM. PIERCE: Commissioner Newman.

25           COM. NEWMAN: I'll take the first. I thank you

1 for coming up and expressing -- I know that you're  
2 expressing the point of view of many others. You had the  
3 courage and temperament to come up and tell us. So I know  
4 that you represent a lot of folks, and that's why I wanted  
5 to talk to you a little bit.

6 It's true that APS before this case -- and I  
7 can't discuss in detail this case --

8 MR. EVERLY: I understand.

9 COM. NEWMAN: -- got several rate increases, and  
10 that was before I was elected just before the end of the  
11 year. And this is the first big rate increase they're  
12 asking for, except for a small switch that we did a couple  
13 of months ago. But basically, this is the biggest case  
14 that I have in front of me affecting the most amount of  
15 people, and that's the reason why we went on the road.

16 And when I mentioned before that I asked  
17 questions, I did. I put it in writing. And I know that  
18 the Chair, Ms. Mayes, if she were here right now, would  
19 probably say -- have some other things to say. But we  
20 asked many questions about why they need this particular  
21 rate increase, you know, what is really going on with  
22 regards to the profits and losses. And we have also a lot  
23 of forensic accountants and economists on staff that  
24 basically ask very tough questions.

25 So I want you to know that in the last -- just in

1 the last three weeks, they've been hit with a whole lot  
2 more questions from the Commissioners. So it's not as if  
3 it's over. We're asking the kind of questions that we  
4 need to ask to figure out whether or not they need this  
5 increase. You have to make a record for that. And so the  
6 case really does go on. It's not a done deal.

7 MR. EVERLY: Well, just for your information, the  
8 local city employees here are getting no raises. The city  
9 has got 60-some empty jobs they're going to eliminate, and  
10 they're continuing to do that. I mean, this economy is in  
11 terrible, terrible shape. And I couldn't believe it when  
12 APS come out and said they're going to ask for a rate  
13 raise. That's just rubbing salt in the wound.

14 And the service isn't like it used to be. And  
15 I'm not down -- I'm not bad-mouthing APS employees.  
16 They're good people. They work hard.

17 I had a neighbor up the street -- I live in a 55  
18 senior community. A lot of people on Social Security that  
19 keep their thermostats at 85 and 90 because they can't  
20 afford to put it down to 78 or 80 like they should.

21 I have one lady that got an \$800 electric bill.  
22 Never been over 300. She has an invalid husband that she  
23 has to buy most of his medicine. They don't give him  
24 hardly anything. And she had APS asking, What should I  
25 do? Well, they sent a man out to investigate, and then

1 they sent her a bill for \$150 for checking the electric  
2 and told her there was nothing wrong. And the next month  
3 it went back down to 300. They never did find out why it  
4 was 800.

5 So it's really hard for me right now to feel  
6 sorry for APS. I'm sorry. But there's an awful lot of  
7 people out there that don't have work, they can't afford  
8 food, and for them to come out and ask for a raise is just  
9 ridiculous. It's outrageous. Thank you.

10 COM. NEWMAN: I just -- just that last  
11 illustration that you gave, if for privacy reasons, you  
12 know, but what I would like you to do is just provide the  
13 name of that person and that experience, because I would  
14 like to know a little bit more about that. And my  
15 staff -- my chief of staff is right here, Alan Stephens.  
16 I would like to check up on that, but I don't want to say  
17 names for the record. We're on television.

18 MR. EVERLY: Sure.

19 COM. NEWMAN: But I would like to know more about  
20 that.

21 MR. EVERLY: He's got my name. I'm in the phone  
22 book. I'll be happy to talk to him.

23 COM. NEWMAN: And Mr. Stevens is right over  
24 there. Thank you.

25 MR. EVERLY: Thank you.

1 COM. PIERCE: And I have your contact information  
2 right here, so it's available to us.

3 But it is concerning when someone's bill  
4 escalates and comes back down and there doesn't seem to be  
5 a response that's adequate. And we would like to make  
6 sure that APS responds adequately to that to where we're  
7 comfortable, too, because each of us are probably a little  
8 bit troubled by what you just explained.

9 MR. EVERLY: Well, and that's just one story.  
10 I'm sure everybody in here has got a story similar to it.  
11 But thank you for your time.

12 COM. PIERCE: Thank you. And I think for  
13 everyone, we need -- APS is just one company we regulate.  
14 We regulate about 350 water companies, a lot of small  
15 water companies. And we actually deal with probably  
16 nearly a dozen rate increase requests a month, and  
17 primarily it's from water companies, not from the electric  
18 utilities.

19 And a lot of these people have installed  
20 infrastructure when times were good and they have got it  
21 all in, but we don't let them recover until it's working,  
22 it's being used and it's useful. That's what our criteria  
23 is. And then they have to come in and apply for a rate  
24 increase, file for a rate increase and using a test year  
25 that goes back maybe a year. So a lot of these test years

1 are 2007 or 2008. And that's why today we're looking  
2 forward on what the economy is today, and they're basing  
3 it on work they did and they haven't recovered yet. And  
4 so I know that's not a lot of consolation, but that's how  
5 our state has always worked in allowing them to recover  
6 after the fact.

7 MR. EVERLY: And I understand APS is a very large  
8 company and they're hard to fight. I wouldn't want your  
9 job for nothing, because you've got to have a lot of  
10 pressure on you from somebody that big. They're too big.

11 COM. PIERCE: And I think that before I was on  
12 the Corporation Commission I thought that, too. More so  
13 it's trying -- it's our job and the heaviest part of our  
14 job is dealing with water companies and making sure that  
15 they stay solvent, because they are -- most of these water  
16 companies throughout the state are struggling, and many of  
17 them are being bought out by larger companies and they're  
18 able to then survive. Because most of us just want our  
19 water to turn on, and we want it clean and we want to be  
20 able to drink it. So we're dealing with a lot of water  
21 issues.

22 Electricity, we have a few big electricity  
23 providers. APS is really by far the largest as far as  
24 customer base, but Southwest Gas has as many customers.  
25 But just so that -- I know that you think APS, because

1 they're so visible, but how we look at it, we -- I think  
2 for me, I look at them just as I would at any small water  
3 company. What they're entitled to, and what do we as --  
4 and what can we expect as consumers. And I'm an APS  
5 customer like everybody in the room.

6 COM. NEWMAN: Just one quick comment. I didn't  
7 say this in my introduction, but you're right. This is a  
8 tough job. And you run statewide and you get elected, and  
9 it's a very, very important job.

10 And what a lot of people don't realize is that,  
11 yes, we have to develop the process and understand what  
12 the company brings forward with regard to rate of return,  
13 but the reason why I think we exist -- I'm pretty sure of  
14 this from doing some history -- is that the founding  
15 fathers of our state -- and I say that because I don't  
16 think there were a lot of mothers around, that they  
17 weren't sitting writing that constitution at the time --  
18 but they basically said that they wanted this institution,  
19 this Corporation Commission or public utility commission,  
20 to be almost like a separate branch of government watching  
21 out for monopolies, for railroads, for the big, big  
22 companies.

23 MR. EVERLY: You should be watching out for us.

24 COM. NEWMAN: And watching out for the people.

25 And what people don't get a lot of times, even when we're

1 on the ballot, is that is what we do. We are a consumer  
2 bulwark for you. And that is a tough job because there  
3 are pressures from the entire economic enterprises of  
4 Arizona on this. But we take it very seriously and we  
5 work very hard, and we'll do our best with this.

6 I'll just leave you, for everybody, with this  
7 note. When I asked all of the people who signed the  
8 settlement agreement a couple of months ago, some of them  
9 who are people -- a lot of people I respected, and, you  
10 know, I said, Well, how much room do we have in this  
11 settlement to change it, you know, before it blows up?

12 And all of them were kind of scared to say, you  
13 know, you know, how much of a bubble we can create before  
14 it blows up. And even when I'm on -- in public display  
15 tonight in front of some APS employees and managers, you  
16 know, that is the art of this, whether we can do this  
17 without blowing up the settlement.

18 But to be honest with you, I'm most concerned  
19 about the consumers who are being hit. And if it breaks  
20 up the settlement, so be it, but I'm going to try to do  
21 the best I can under the circumstances.

22 MR. EVERLY: We appreciate that. Thank you.

23 COM. PIERCE: And Commissioner Kennedy.

24 COM. KENNEDY: If I could, Mr. Everly, APS is  
25 here tonight, and I'm hoping that she was taking note of



1 the comments that you made about the individual, the  
2 ratepayer who was charged the extra \$150 for coming out  
3 and just taking a look. I hope that she will respond to  
4 my office or to my policy advisor on that issue, and  
5 hopefully we'll have some -- a response that we can get  
6 back to you.

7 MR. EVERLY: Okay. Thank you.

8 COM. PIERCE: Thank you for coming.

9 Okay. Philip Schrier. You know, I apologize,  
10 for making you fourth when you were here first.

11 MR. SCHRIER: Oh, don't worry about. I'm  
12 retired. I've been here 45 years. I have served my  
13 country twice in Korea and Vietnam and saved four lives,  
14 and now they're putting it to me.

15 APS, I talked to seven people and got seven  
16 different stories. Last year they gave me the rate of  
17 being under the income, under the low income. Now I get a  
18 letter from them saying, no, I don't qualify anymore. I  
19 make too much money being retired. They tell me now to go  
20 down to APS -- I'm not mentioning the names of the people  
21 I talked to. I'm giving them that luck -- and say go down  
22 there and pay \$97 for the prior month. I said, fine.

23 Then I called again, the same day, and talked to  
24 another person, and said, no, you don't have to go down  
25 there. We'll take care of it. You'll be on an automatic

1 pay of \$97 a month. Okay. Then I talked to another  
2 person, okay, and they tell me, well, we'll adjust it for  
3 you and don't worry about it. It will be taken care of.  
4 Thank you.

5 I get my bill yesterday, and they want me to pay  
6 them \$195.14. They did not take out the \$97 they were  
7 supposed to, like they promised they would do. They took  
8 out that, plus the other \$97 for this next month coming  
9 up. So now I've got to pay them double out of one  
10 paycheck, and I'm on a fixed income.

11 Now, I figured something out here. I know I've  
12 got a lot here. Can you live on -- one person like me, I  
13 have my own home. Thank God I don't have to pay the rent  
14 on it. Can you live on \$1,301? Can you live on that  
15 yourself?

16 COM. PIERCE: I think, as you're aware, we're not  
17 going to answer those questions.

18 MR. SCHRIER: Yeah. But I'm saying, can you live  
19 on that much?

20 COM. PIERCE: I realize what you're saying. And  
21 you know what? I realize you're not going to talk about  
22 the folks that maybe you talked to, but I think it's going  
23 to be helpful for APS to probably make an appointment with  
24 you. So before you leave, here locally, and try to work  
25 through this issue for you. Because if you're saying that

1 you think they double charged you, or if they didn't  
2 charge you and then they came back and --

3 MR. SCHRIER: Well, they should have taken the  
4 one time the 97 out. And they said, yeah, we're going to  
5 take it out. Don't worry about it. And then this bill  
6 came in for this month, and they charged me \$97 plus the  
7 other \$97.

8 COM. PIERCE: We're going to ask APS to actually  
9 sit down and work through that with you and let us know.

10 MR. SCHRIER: And after I pay all of my bills,  
11 I'm left with \$480. Okay.

12 COM. PIERCE: Just don't leave too soon tonight,  
13 okay?

14 MR. SCHRIER: Okay. But the thing is, all of  
15 these people I talked to gave me a different answer about  
16 the whole thing, and I haven't got one straight answer yet  
17 on what they're going to do.

18 What I think they should have done is taken that  
19 last -- or the one -- the first \$97 and killed it, period,  
20 because it was their error, not mine. And they said, oh,  
21 well, what we're going to do is just not charge you the  
22 late fee of \$1.62.

23 COM. PIERCE: Go ahead.

24 COM. NEWMAN: Yeah. I, like Mr. Pierce, think  
25 that, you know, you have the benefit of having the

1 majority of the Corporation Commission members here  
2 tonight. We are here to take testimony about the rate  
3 increase, per se, in the case, but there is -- I know  
4 there is one lady back there who has the ear of the  
5 company president and she's very high up in the company.  
6 And I know that if we got you guys together, we would get  
7 some explanation for this.

8 But I am a little bit concerned, and this is one  
9 of the issues that I was bringing up before about people  
10 knowing whether they can get this low income credit or not  
11 and how that went about. I just wanted to hear a little  
12 bit of your story. You have a couple of military  
13 pensions, I imagine, that come to you?

14 MR. SCHRIER: Uh-huh.

15 COM. NEWMAN: And at one point they said that you  
16 were making too much money on your pensions to get that  
17 benefit?

18 MR. SCHRIER: Now they say that.

19 COM. NEWMAN: Now they say that.

20 MR. SCHRIER: Last year they said, no, I  
21 qualified.

22 COM. NEWMAN: Okay. And that's when --

23 MR. SCHRIER: And I'm making the same money.

24 COM. NEWMAN: Well, that's one of the things that  
25 I would like to know a little bit more about. And that's

1 one of the things that this settlement actually talks  
2 about, and we want to make sure that if there is going to  
3 be -- if we do okay some portion of the settlement or the  
4 whole settlement, or whatever it is that's compromised on,  
5 that people like you are taken care of and that we  
6 don't -- we want to know about these limits on which some  
7 people are being cutting off on. So we would like to know  
8 where you fall in.

9           It's only going to be a benefit to you, and you  
10 should take benefit of the fact that tonight there are  
11 some high-level APS executives and you have the --  
12 probably the support of all of the Commissioners to get  
13 your record straight.

14           MR. SCHRIER: Yeah, I hope so. Because here I am  
15 living by myself. I cut everything off I possibly can,  
16 you know, and still come up with these high prices.

17           COM. NEWMAN: And just one question. What were  
18 your rates this summer for -- did you have your air  
19 conditioning running this summer?

20           MR. SCHRIER: I have it up to 82.

21           COM. NEWMAN: What was your bill? Just curious.

22           MR. SCHRIER: This last bill came to, counting  
23 the other \$97 they charged me, came to \$195.

24           COM. NEWMAN: Okay.

25           MR. SCHRIER: And he says, well, we'll take the

1 late charge off, which was \$1.62.

2 COM. NEWMAN: So you probably are getting some  
3 benefit, I think, from the settlement, but I need to check  
4 on that.

5 MR. SCHRIER: 1.92.

6 COM. NEWMAN: Not the settlement, but we'll see.  
7 We'll find out a little bit more about your bill.

8 MR. SCHRIER: And then also, like the delivery  
9 service charge, every month it changes. A delivery  
10 service charge, to me, would be you charge the same price  
11 every month, not change it. And every month it's changed.  
12 He says, well, because you are using this much electricity  
13 and bah-bah-bah. To me, that's not a service charge. A  
14 delivery service charge is one fee.

15 If I went and ordered a hamburger and had it  
16 delivered, I pay one price. If I order it again the next  
17 time, I should pay the one price, not keep changing it  
18 here to 50-something dollars, 40-something dollars. You  
19 know, it's things I just can't afford.

20 I had to deplete my total savings and live off of  
21 just my checking because of stuff like this. Not only  
22 APS, but the water. And like I said, it's not only APS.  
23 But it's ridiculous what they're doing, and they want an  
24 increase? And if I got an increase from, say, the  
25 military retirement and so forth, 1.2 percent. And they

1 want 7-point percent? I think we have more people in the  
2 military than they have working for APS.

3 COM. NEWMAN: Thank you.

4 COM. PIERCE: Thank you very much.

5 MR. SCHRIER: Thank you. I'm sorry I talked so  
6 loud but --

7 COM. PIERCE: No, no, no. You did well.

8 MR. SCHRIER: I'm kind of hard of hearing.

9 COM. PIERCE: That's fine. And please stick  
10 around, if you don't mind, so we can maybe help you work  
11 through this.

12 MR. SCHRIER: Okay.

13 COM. PIERCE: I have Emma Torres. Did you want  
14 to speak? You didn't check that box, but you're certainly  
15 welcome to come forward. You left it blank, actually.

16 MS. TORRES: Good afternoon. My name is Emma  
17 Torres, and I have lived here in Yuma for more than 30  
18 years now. And I'm really concerned about when I saw  
19 about the announcement that there is a proposal percent  
20 increase in electricity bill, because I think about my  
21 mother, I think about my aunts, and all of the people that  
22 live on a fixed income of \$600 a month with bills of --  
23 electricity bills of \$300 or \$400 per month, which only  
24 leaves them 200. And they do not necessarily apply for  
25 food stamps or anything.

1           So it's really -- for me, it's ridiculous when --  
2 I don't know if you're aware that Yuma County has  
3 24 percent year-round unemployment rate, 24 percent. So  
4 that means that 24 people out of 100 are without a job.  
5 And some that may qualify for unemployment, some of them  
6 get \$70 per week. So they get their bills higher than  
7 what they get as an income. And there are no jobs. It's  
8 not that they don't want to work. There are no jobs.

9           So our economy is so depressed during the summer  
10 when we have those high bills that I cannot stop and --  
11 you know, I have to stop and think about those  
12 individuals. I have a job. I don't need it. I work and,  
13 you know, I'm not the one that worries too much if I pay  
14 400. I still can pay 400 a month. But those individuals  
15 that -- thousands of them in this community that are on a  
16 fixed income, \$400 to \$600 a month, we cannot be so  
17 irresponsible and not think about them. And a lot of them  
18 I know they turn off their refrigeration and just do stuff  
19 and use a fan to try to survive during the summer months  
20 in this community.

21           And I really want you guys to take that message.  
22 If you are truly representing our community, think about  
23 those people that do not have the privilege that we have.  
24 And unfortunately, in this community, we have thousands of  
25 them. So that's what I wanted to say. Thank you.



1 COM. PIERCE: Thank you.

2 COM. NEWMAN: Thank you so much.

3 COM. PIERCE: Okay. I just want to read in the  
4 record, we had a couple of people that didn't want to  
5 speak and have comments, which I will hand to the court  
6 reporter and she'll actually enter those comments of  
7 Sharon White and Beverly Werner.

8 And I just also wanted to welcome Lynne Pancrazi.  
9 I see you back there, Lynne, and welcome you to come up to  
10 the mic if you would like to say anything at all. You  
11 don't have to, but I just wanted to recognize that one of  
12 our state representatives is here. We would appreciate  
13 you going back into special session and correcting the  
14 issues we have with our corporations division, which, you  
15 know, it's a little inside baseball, but we have an issue  
16 that I think that you're getting the message.

17 REP. PANCRAZI: Yes. You're collecting funds but  
18 you can't spend them.

19 COM. PIERCE: Exactly. We don't need general  
20 fund money. We just need authorization to spend the money  
21 we have.

22 REP. PANCRAZI: Yes.

23 COM. PIERCE: Without that authorization, if we  
24 spend it, it's illegal and those two will go to jail.

25 COM. NEWMAN: And Mr. Chair, while we're at it, I

1 would like to recognize one of my mentors, Mr. McClendon,  
2 member of the Board of Regents, former Democratic minority  
3 leader, and a true, good friend of mine and of the  
4 community of Yuma. Bob, please stand up.

5 COM. PIERCE: Welcome, Bob. You're a pillar, a  
6 pillar of the community.

7 (Applause.)

8 MR. McCLENDON: Well, I just want to make sure  
9 that you all feel welcome, because we really appreciate  
10 the fact that you drove down today under pretty hot  
11 circumstances. Hopefully, our 100-degree weather is going  
12 to change.

13 But you have got a big job, and we appreciate you  
14 coming down to what I call greater Arizona to hear what  
15 the folks have to say. Thank you.

16 COM. PIERCE: And these folks weren't on the mic,  
17 but appreciate everything you said.

18 And, you know, Bob actually filled the supervisor  
19 seat that I vacated after I went east, and he came back  
20 from the legislature and did a fine job.

21 And we really appreciate -- we're going to wrap  
22 this up, unless there's anyone else that wants to speak,  
23 because that's all the slips that we have.

24 Please, yes, come forward. And if you have got a  
25 paper -- before you leave, if you would fill one out, but

1 just state your name right now for the court reporter.

2 MR. HOFFMAN: I'll do that. Greg Hoffman.

3 Excuse my ignorance. I'm not really sure what  
4 this hearing is all encompassing, but I had called the --  
5 we're in the process of building a house, and, you know,  
6 got a quote for providing service to the house and  
7 everything and they came back pretty high.

8 You know, I'm kind of forced to deal with what I  
9 want to do. Well, when it came down to signing the papers  
10 and everything, I realized that they're not just putting  
11 in service for my residence, they're making allowance for  
12 like a 50 KVA transformer, so that's at least eight  
13 residences, if not more.

14 And I'm like, wow, that's pretty heavy. I would  
15 like to see if I can make it so that if somebody else  
16 moves in around here where I can absorb -- get some of  
17 that cost back since I'm basically bringing the  
18 transformer into the property. We're out in the county  
19 where it's got some acreage.

20 And I don't know. Is that something that's under  
21 this thing?

22 COM. PIERCE: Greg, that is part of the  
23 settlement agreement, which if you go online to read it,  
24 you can do that, but that is -- and I guess I think I'm --  
25 it's fair for me to address that, but that is one -- we've

1 talked about the poverty -- being 200 percent of poverty  
2 level, keeping those that are under 200 percent harmless  
3 in this, which, by the way, addresses Emma's concern, by  
4 the way, that anybody at 600 bucks is going to be held  
5 harmless on this, but as will those who have had to do a  
6 line extension.

7 And, obviously, there's other property between  
8 where you are and the starting point. And in the  
9 settlement agreement, it calls for you to prorate back as  
10 people hook on. So you'll actually be able to recover,  
11 and that's -- if it passes, you'll have that opportunity.

12 MR. HOFFMAN: Okay. So are you looking for  
13 public comment on this or is that --

14 COM. PIERCE: Yes.

15 MR. HOFFMAN: Okay. Well, that's --

16 COM. PIERCE: You want to see that happen?

17 MR. HOFFMAN: Well, of course, of course.

18 You know, and when I saw that I had no recourse,  
19 I said, well, move the easement over an inch or two. And  
20 that way, if they want to tap into that, they've still got  
21 to go through me and I've got some kind of leverage to get  
22 my costs out. And they said, no, it's undue hardship to  
23 APS, which I couldn't understand since I'm footing the  
24 whole bill. I didn't understand how it was undue hardship  
25 for APS, but that's really all -- I understand that they

1 want to run and service and they don't want to run an  
2 extension cord where they know later they might need more.  
3 I do understand that. But I think at the very least I  
4 should be able to get compensated for whatever percentage  
5 of the people are being used as it comes on, or however  
6 that works.

7           And really, with citrus, I mean, I'm out in the  
8 county, we're dealing with larger parcels, 10 acres.  
9 We're only looking at maybe a couple of other people  
10 really getting onto this, and it could be years. It could  
11 be 10, 15 years, who knows. So something with some kind  
12 of an allowance for inflation.

13           COM. PIERCE: Thank you.

14           MR. HOFFMAN: That's all I have. Thank you for  
15 your time.

16           COM. PIERCE: Is there anyone else?

17           (No response.)

18           COM. PIERCE: Okay. Then we'll have -- see if  
19 there's any closing comments. Commissioner Kennedy?  
20 Commissioner Newman?

21           COM. NEWMAN: Sure. Thank you all for coming. I  
22 thought we were going to hear from more of you. I would  
23 like to know who everybody is in the room and talk to them  
24 about what they think about this. But we have taken  
25 testimony all over this state and, like I said, there will

1 be a final hearing on this in December, in which we're  
2 going to be asking more questions about the settlement,  
3 and we're going to get some of the questions answered that  
4 we submitted to the company.

5 But even though there are just a couple of people  
6 here representing this community, I know that they  
7 represent a whole lot more of the people in the community,  
8 because I have been to Yuma many times. And so I, like  
9 you, have concern about a rate increase during this tough  
10 economic times, although there may be -- you know, there  
11 may be justification for parts of the rate increase, and  
12 that's what we're going to be looking at very closely in  
13 the next couple of months.

14 But I thank you for your hosting us and your  
15 graciousness, and it's really good to be here. I started  
16 my morning down in Tucson and went up to Phoenix, came  
17 over to Yuma. It's always good to come to Yuma and hear  
18 from the real people that live in Arizona.

19 Sometimes when -- I'm from Bisbee. I have been  
20 in Bisbee for the last 20 years. And I, like Bob  
21 McClendon, believe that greater Arizona is out here where  
22 the real people live. And so it's always just good to  
23 come here and get out of the city where it's true that the  
24 Commissioners are under a lot of stress and strain from  
25 the companies who are based in Phoenix.

1           It used to be that you had to live in Phoenix to  
2 be a Corporation Commissioner. That's now not on the  
3 books, but I still think it's good to have -- to be  
4 outside of Phoenix, outside of the Commission taking  
5 public testimony. And I learned a few things here  
6 tonight, and thank you for your testimony.

7           COM. PIERCE: You know, I had a question today  
8 from one of my friends here in Yuma, and he said, do you  
9 think you could have won a Corporation Commission seat and  
10 still lived in Yuma? And I said, you know, I don't know.  
11 I don't know, the way things turned out, because I got put  
12 on the ballot by -- and I said, I don't know if it would  
13 have played out that well. It's always hard to tell.

14           But Yuma is very important and there are a lot of  
15 APS ratepayers in this county, and so for us to be here is  
16 probably extraordinarily important. I have spent -- just  
17 spent my summer in Yuma. I have been here about eight or  
18 ten different times this summer.

19           And about a month ago, I was here on a Friday and  
20 I listened to the announcements. I was on a piece of  
21 property I own, and I can hear the 4th Avenue Junior High  
22 announcements. And I heard them advise the students to  
23 try to stay hydrated that day because they expected  
24 temperatures of 119 degrees. And I thought, my gosh,  
25 school has already started and we're at 119 degrees. And

1 I can just imagine the work and the wear and tear on those  
2 A/C systems and the bills that the schools are paying.

3 So there is a great concern about, you know, you  
4 as ratepayers pay your own bills, but you also pay the  
5 rates of this building and all other municipal buildings  
6 and publicly owned buildings. And so we're well aware of  
7 the impact. And especially here in Yuma, I'm  
8 extraordinarily aware of the impact.

9 I was cleaning out a shed at this building and I  
10 looked at APS bills from 1991, '92, and so on and their  
11 impact, and how much per kilowatt hour. And it really  
12 brings it home where we've gotten to in rates. And I  
13 think it's important for all of us to understand what that  
14 impact means, and we do.

15 I appreciate the other two Commissioners who  
16 aren't here. These are meetings we all try to get to, but  
17 things happen. But I think being in Yuma is one that I  
18 will always make. I'm not guaranteeing I'll make all of  
19 the ones throughout other parts of Arizona, but I'll  
20 always be here. I treasure the relationships we have  
21 here.

22 I appreciate the City's facility. We were going  
23 to come a month ago, but we couldn't get in here. And we  
24 thought, ah, let's wait here. Because, if nothing else,  
25 we can be on the screen for those who would like to tune



1 in.

2 Well, that's it for us tonight. Thank you  
3 everyone who did come and who participated. All that we  
4 have written down will be part of our notes as we consider  
5 this case. But everything that has been typed by our  
6 court reporter will go into the record, and your comments  
7 can actually -- as part of the record, we can actually  
8 write amendments based on things that are in the record,  
9 things we've heard in the record. So it's important to  
10 get these things said. So everything that you said is  
11 important to us and is important as a part of the record  
12 for us to be able to do things legally later on.

13 So thank you, and good evening.

14 COM. NEWMAN: Thank you.

15 (The Special Open Meeting/Public Comment  
16 concluded at 7:00 p.m.)

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1 STATE OF ARIZONA )  
2 ) ss.  
3 COUNTY OF MARICOPA )

4

5 I, MICHELE E. BALMER, Certified Reporter  
6 No. 50489 for the State of Arizona, do hereby certify that  
7 the foregoing printed pages constitute a full, true and  
8 accurate transcript of the proceedings had in the  
9 foregoing matter, all done to the best of my skill and  
10 ability.

11

12 WITNESS my hand this 1st day of October, 2009.

13

14

15

*Michele E. Balmer*

16

MICHELE E. BALMER  
Certified Reporter  
Certificate No. 50489

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# Speaker Slips

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

**PLEASE PRINT CLEARLY**

Date: 9/29/09 Telephone No. 261-8435  
Name: DARRELL BENNETT  
Street Address: 912 E HARVARD ST  
City: Yuma State: AZ Zip: 85365  
☒ I **WOULD** like to speak ☒ **OPPOSED**  
☐ I do **NOT** want to speak ☐ **IN FAVOR**

Comments: \_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

**PLEASE PRINT CLEARLY**

Date: 9-29-09 Telephone No. 782-1886  
Name: Brian Babians  
Street Address: 224 S 3rd Ave  
City: Yuma State: AZ Zip: 85364  
☒ I **WOULD** like to speak ☐ **OPPOSED**  
☐ I do **NOT** want to speak ☐ **IN FAVOR**

Comments: \_\_\_\_\_  
\_\_\_\_\_

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 9/29/09 Telephone No. 581-7293

Name: Philip Schaefer

Street Address: 2542 S. MARY AVE

City: Yuma State: AZ Zip: 85355

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: \_\_\_\_\_

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 29 SEPT 09 Telephone No. 373 0334

Name: ELGIN EVERLY

Street Address: 2031 JAVELIN

City: YUMA State: AZ Zip: 85364

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: \_\_\_\_\_

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

**PLEASE PRINT CLEARLY**

Date: 9/29/09 Telephone No. 928-726-0078 ✓

Name: Emma Torres

Street Address: 2544 26th Drive

City: Yuma State: AZ Zip: 85364

☒ I **WOULD** like to speak

☒ **OPPOSED**

☐ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

**PLEASE PRINT CLEARLY**

Date: 9-29-09 Telephone No. 928-783-5202

Name: SHARON WHITE

Street Address: 3400 S. 4th AVE #44

City: YUMA State: AZ Zip: 85365

☐ I **WOULD** like to speak

☒ **OPPOSED**

☒ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: It is tough times economically. No one should  
raise any costs to consumers. We are in a war, please  
cut! costs, no raise for CEO's, etc.

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*

ARIZONA CORPORATION COMMISSION  
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 9-29-09 Telephone No. (928) 726-4810

Name: Beverly Warner

Street Address: 3380 S. 4<sup>th</sup> Ave.

City: Yuma State: AZ. Zip: 85365

☐ I WOULD like to speak

☒ OPPOSED

☒ I do NOT want to speak

☐ IN FAVOR

Comments: ~~Oppose~~ If they need more then  
they need to STOP with donations & Ads.  
is quit striving for billion dollar net income

\*\*\*\*\*THREE MINUTES SPEAKING LIMIT\*\*\*\*\*